

Washington, D.C. - Self-employed small business owners are forced to pay an extra 15.3 percent more than other corporations in taxes on their health insurance premiums. Congresswoman Melissa Bean (IL-08) aims to lift that burden by signing on to a bill that levels the playing field.

Bean, Chairwoman of the Small Business Committee's Subcommittee on Tax and Finance, announced Thursday that she is co-sponsoring the Equity for Our Nation's Self-Employed Act of 2007, introduced by Rep. Ron Kind (WI-03). The bill brings the tax code for self-employed individuals in line with the code for corporations. Corporations are allowed to deduct health insurance costs from their income taxes as a business expense, and can forego paying payroll (FICA) taxes on these costs. But the self-employed are currently not allowed to take these same deductions, leading to a tax burden that is 15.3 percent higher.

Correcting this inequity would reduce the cost of health care by \$1,700 annually for the average self-employed small business owner.

"The tax code as written adds an unnecessary and unfair burden to self-employed businessmen and businesswomen who are trying to remain competitive," Bean said. "As a former business owner, I want to make it easier for area employers to keep both their businesses and their families healthy."

The bill is H.R. 3660.

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